

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA  
CHARLESTON DIVISION**

In Re:

Case Number 19-20469

Chapter 11

**WILLIAMSON MEMORIAL HOSPITAL, LLC,**

Debtor.

**SUMMARY SHEET – PIKEVILLE MEDICAL CENTER, INC.’S APPLICATION FOR  
REIMBURSABLE EXPENSES AND BREAK UP FEE AS STALKING HORSE BIDDER**

**Name of Applicant:** Pikeville Medical Center, Inc.

**Authorized to Seek Reimbursement as:** Stalking Horse Bidder

**Break Up Fee:** **\$160,000.00**

**Total Amount of Expense Reimbursement  
Sought as Actual, Reasonable, and Necessary:** **\$122,049.39**

**Itemized Amount of Expenses:**

**Hensley Real Estate Services:** \$8,000.00

**Cheryl Hickman (Leader of  
Transition Team):** \$5,000.00

**Steptoe & Johnson, PLLC  
(Legal Fees)** \$101,723.54

**Snell & Wilmer, LLP  
(Legal Fees)** \$1,150.00

**Blue and Company  
(Financial Advisory Services)** \$6,175.85

**This is a:** Final application

[signature page to follow]

Dated: April 15, 2020

Respectfully submitted,

/s/ Sarah C. Ellis

Sarah C. Ellis (WV Bar # 10434)

Art M. Standish (WV Bar #3557)

Colton C. Parsons (WV Bar # 13243)

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**WILLIAMSON MEMORIAL HOSPITAL, LLC,**

Debtor.

**PIKEVILLE MEDICAL CENTER, INC.'S APPLICATION FOR REIMBURSABLE  
EXPENSES AND BREAK-UP FEE**

COMES NOW, Steptoe & Johnson PLLC ("Steptoe & Johnson"), counsel for Pikeville Medical Center, Inc. ("Pikeville Medical Center") submits this first and final application (the "Application") seeking approval and allowance for the total amount of One Hundred Twenty-Two Thousand Forty-Nine and 39/100 Dollars (\$122,049.39) in expenses incurred as the stalking horse bidder pursuant to 11 U.S.C. §§ 105, 326, 328, 330, 331, 364, 503(b) 606(c), 507, 546(c), 726, 1113, and 1114. In support of this Application, Pikeville Medical Center respectfully states as follows.

**Jurisdiction, Venue and Predicates for Relief**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157.
3. The predicates for the relief requested herein are sections 105 and 363 of the Bankruptcy Code.

**Background**

4. On October 21, 2019, (the "Petition Date"), Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code, commencing the above-captioned bankruptcy case.
5. On February 24, 2020, the Debtor filed its Sale Procedures Motion. (Doc. No. 237), that was approved by court order on March 26, 2020 (Doc. No. 302) (the "Bidding Procedures Order"). Among other things, the Court's Bidding Procedures Order permitted Debtor to select one or more Stalking Horse Bidders and to provide bid protections to the Stalking Horse Bidder, including a break-up fee of up to 5% of the purchase price and for the reimbursement for the

reasonable fees and expenses of the Stalking Horse Bidder. (*Id.*). The Bidding Procedures Order provided that until paid, any breakup fee and expense reimbursement provided in accordance with the bidding procedures shall be a superpriority administrative expense claim under sections 503(b), 507(a)(2) and 507(b) of the Bankruptcy Code. (*Id.*).

6. An auction occurred on March 31, 2020. At the commencement of the auction, Debtor declared on record Pikeville Medical Center's bid as the Stalking Horse Bid and therefore entitled to the bid protections set forth in the Bidding Procedures Order. (See Doc. No. 314). At the conclusion of the auction, Williamson Health & Wellness Center, Inc. was selected as the successful bidder for the majority of the assets of the Debtor. (*Id.*).
7. Pikeville Medical Center has not filed any previous applications for expenses, and no amounts have been paid to Pikeville Medical Center for any fees and expenses incurred by Pikeville Medical Center.

**Relief Requested and Basis for Relief Requested**

8. Pikeville Medical Center submits this Application for reimbursement of actual, reasonable and necessary expenses incurred as the Stalking Horse Bidder. Pikeville Medical Center seeks reimbursement for expenses in the amount of One Hundred Twenty-Two Thousand Forty-Nine and 39/100 Dollars (\$122,049.39). Pikeville Medical Center is entitled to receive these expenses pursuant to the Court's Order granting Debtor's motion for post-petition financing from Pikeville Medical Center and pursuant to the Bidding Procedures Order. (Doc. No. 302).
9. The expenses sought by this Application reflect a total of 304.8 hours of professional and paraprofessional time spent by Steptoe & Johnson for legal services and a total of 2.3 hours of professional and paraprofessional time spent by Snell & Wilmer, LLP for legal services. Pikeville Medical Center's expenses also reflect surveying services performed by Hensley Real Estate Services in the amount of Eight Thousand Dollars (\$8,000.00), a Five Thousand Dollars (\$5,000) bonus solely for Cheryl Hickman's leadership of the acquisition efforts to purchase the assets of Debtor, and Six Thousand One Hundred Seventy-Five and 85/100 Dollars (\$6,175.85) for financial advisor expenses by Blue & Company.

10. Pikeville Medical Center is also entitled to a breakup fee of One Hundred Sixty Thousand Dollars (\$160,000.00) according to the Bidding Procedures Order already approved by the Court that is due upon closing of the sale of Debtor's assets to Williamson Health & Wellness Center, Inc (the "Closing").
11. Pikeville Medical Center endeavored to ensure that its professionals complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures or Orders from the Court.

**Notice**

12. Notice of this Application has been given to the Debtor, the U.S. Trustee, the patient care ombudsman, and all entities who have filed a request for service in this case. In light of the nature of the relief requested, Pikeville Medical Center submits that no further notice is required.

**No Previous Request**

13. No previous request for the relief sought herein has been made by Pikeville Medical Center to this or any other Court.

WHEREFORE, Pikeville Medical Center respectfully requests that this Court enter an order (i) approving this Application; (ii) providing that Pikeville be allowed the sum of \$122,049.39 for reimbursement as the Stalking Horse Bidder; (iii) reaffirming the Court's Bidding Procedures Order that the Debtor pay Pikeville Medical Center a \$160,000.00 breakup fee at Closing; (iv) authorizing the Debtor to pay Pikeville Medical Center the full amount of such sums; and (v) for any such other relief as the Court deems proper and just.

Dated: April 15, 2020

[signature page to follow]

Respectfully submitted,

/s/ Sarah C. Ellis

Sarah C. Ellis (WV Bar # 10434)

Art M. Standish (WV Bar #3557)

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 15th day of April, 2020, I electronically filed the *First Interim PIKEVILLE MEDICAL CENTER, INC.'S APPLICATION FOR REIMBURSABLE EXPENSES* with the Clerk of the Court using the CM/ECT System, which will send notice of such filing to all CM/ECF participants in this case.

/s/ Sarah C. Ellis

Sarah C. Ellis